

## Message Text

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42

ACTION EB-07

INFO OCT-01 EUR-12 ISO-00 ERDA-05 AID-05 CEA-01 CIAE-00

CIEP-01 COME-00 DODE-00 FEAE-00 FPC-01 H-02 INR-07

INT-05 L-02 NSAE-00 NSC-05 OMB-01 PM-03 SAM-01 OES-03

SP-02 SS-15 STR-04 TRSE-00 FRB-03 SSO-00 NSCE-00

INRE-00 USIE-00 CCO-00 PA-01 PRS-01 ACDA-05 IO-10

/103 W

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Z 221815Z APR 75

FM AMEMBASSY OTTAWA

TO SECSTATE WASHDC FLASH 6205

C O N F I D E N T I A L OTTAWA 1449

E.O. 11652: GDS

TAGS: ENRG, CA, US

SUBJ: IMPENDING CANADIAN DECISION TO RAISE PRICE  
GAS EXPORT TO U.S.

1. IN LIGHT OF INDICATIONS RECEIVED BY DEPUTY ASSISTANT SECRETARY KATZ DURING HIS DISCUSSIONS WITH CANADIANS THIS MORNING THAT CABINET DECISION TO RAISE PRICE OF GAS EXPORTED TO US IS IMMINENT, I REQUEST AUTHORIZATION TO APPROACH GOC AT HIGH LEVEL PRIOR TO CABINET MEETING SCHEDULED APRIL 24 WITH FOLLOWING COMMENTS:

1. DECISION ALONG SUCH LINES WOULD BEAR HEAVILY ON US CONSUMERS, ESPECIALLY IN THE LIGHT OF EXISTING CONTRACTUAL ARRANGEMENTS, AND COULD BE EXPECTED TO AFFECT ADVERSELY US REACTIONS TO OTHER ASPECTS OF ENERGY PROBLEMS.

2. WHEN CANADIANS RAISED OIL EXPORT TAX TO PRESENT HIGH LEVEL, US GOVERNMENT TOOK INTO ACCOUNT  
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CANADIAN NEED TO COVER PRICE OF FOREIGN OIL NEEDED

FOR EASTERN PROVINCES. SUCH JUSTIFICATION  
ENTIRELY ABSENT IN PRESENT CIRCUMSTANCES  
PERTAINING TO EXPORT OF GAS TO UNITED STATES.

3. CANADIAN DECISION, UNLESS ACCOMPANIED BY  
SIMILAR RISE IN PRICE TO CANADIAN CONSUMERS,  
WOULD RESULT IN FURTHER WIDENING GAP BETWEEN  
EXPORT AND DOMESTIC PRICE LEVELS AND COULD  
BRING ABOUT US EXAMINATION OF NEED FOR COUNTER-  
MEASURES.

4. UNITED STATES POSITION IS THAT IT WOULD  
CAUSE NO UNDUE HARDSHIP TO CANADIAN PEOPLE  
OR GOVERNMENT IF DECISION ON THIS MATTER WERE  
DELAYED PENDING FULLER EXAMINATION OF EFFECTS  
ON BOTH SIDES OF BORDER. PORTER

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** CREDIT, BANKS, PROGRAMS (PROJECTS), PETROLEUM REFINING  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 22 APR 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** GolinoFR  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1975OTTAWA01449  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
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**Executive Order:** GS  
**Errors:** N/A  
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**Reference:** n/a  
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**TAGS:** ENRG, CA, US, XMB, PETROSUL  
**To:** STATE  
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